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UNCLAS KUWAIT 005138

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STATE PASS TO USTR JASON BUNTIN

E.O. 12958: N/A

TAGS: [ECON](#) [EFIN](#) [ETRD](#) [IZ](#) [KU](#) [USTR](#) [GCC](#)

SUBJECT: KUWAIT TO SIGN TIFA

REF: A. STATE 285162

[1](#)B. KUWAIT 4842

[1](#)C. CARRIG/BUNTIN SEPTEMBER EMAIL TRAFFIC

[1](#)D. BUNTIN/CARRIG OCTOBER EMAIL TRAFFIC

[1](#)1. Action request at para 4.

[1](#)2. In a diplomatic note dated 27 October, the GOK informed Embassy that it intends to sign a Trade and Investment Framework Agreement with USG, requested the nomination of a USG official authorized to sign on behalf of the United States and asked for a proposed date for the signing. Copy of dip note and unofficial translation will be scanned and emailed to NEA/ARP. In Ambassador's meetings with Minister of Finance on 6 November and Minister of Commerce on 8 November, the ministers confirmed (Ref D request) that Kuwait is prepared to sign the TIFA as presented (Ref A), without further negotiation or modification. GOK will prepare a first-cut Arabic translation of the TIFA as requested Ref D as well.

[1](#)3. From mid-September, Embassy has promoted the Ref C copy of a model TIFA with appropriate officials in the Ministries of Finance, Commerce and Industry, and Foreign Affairs. The Secretariat of the High Committee for Development and

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Economic Reform, Central Bank and the Kuwait Chambers of Commerce and Industry were lobbied as well. Reception across the board has been positive and forward-leaning. Our Kuwaiti counterparts are ready to move forward on the broad range of issues that successfully must be addressed in preparation for a possible FTA. As evidence of this, the Council of Ministers recently approved a regulatory change that will allow foreign investors to establish wholly owned enterprises in Kuwait.

[1](#)4. Action Request. Minister of Commerce will sign for the GOK. He asks for dates in December available to USTR for a Washington signing ceremony. GOK anticipates fielding a team of finance and trade officials to visit Coalition capitals in the run-up to a Kuwait venue "Reconstruct Iraq" exhibition and conference scheduled for 19-23 January 2004. Commerce Minister plans to head that delegation for its December visit to Washington. The GOK would like to feature the TIFA signing there as a public demonstration of Kuwait's commitment to meaningful economic reform. They anticipate across-the-board liberalization of law and administrative procedures the better to assure broad Kuwaiti private sector participation in the coming years' Iraq reconstruction program. End action request.

JONES